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MONTANA LEGISLATIVE HISTORY

Chapter 542 1989

Bill H _____ S 311 Original bill & history ___C

H. Committee on Human Services			S. Committee on Labor & Emp.		
Hearing Date(s)	_____	___C	Hearing Date(s)	_____	___C
	3/13	✓ C		2/9	✓ C
	_____	___C		_____	___C
	_____	___C		2/10	✓ C
Date Out	3/15	✓ C		out 2/14	✓

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

2/17	3RD READING PASSED	50	0
	TRANSMITTED TO HOUSE		
2/21	REFERRED TO BUSINESS & ECONOMIC DEVELOPMENT		
3/02	HEARING		
3/08	COMMITTEE REPORT--BILL CONCURRED		
3/11	2ND READING CONCURRED	89	0
3/13	3RD READING CONCURRED	98	0
	RETURNED TO SENATE		
3/17	SIGNED BY PRESIDENT		
3/17	SIGNED BY SPEAKER		
3/18	TRANSMITTED TO GOVERNOR		
3/23	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 255 EFFECTIVE DATE: 10/01/89		

SB 311 INTRODUCED BY HARDING, ET AL.
CREATE SELF-SUFFICIENCY TRUST FUND

2/01	INTRODUCED		
2/01	REFERRED TO LABOR & EMPLOYMENT RELATIONS		
2/03	FISCAL NOTE REQUESTED		
2/08	FISCAL NOTE RECEIVED		
2/09	FISCAL NOTE PRINTED		
2/09	HEARING		
2/16	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/18	2ND READING PASSED	50	0
2/21	3RD READING PASSED	50	0
	TRANSMITTED TO HOUSE		
2/22	REFERRED TO HUMAN SERVICES & AGING		
3/13	HEARING		
3/16	COMMITTEE REPORT--BILL CONCURRED AS AMENDED		
3/27	2ND READING CONCURRED	95	0
3/29	3RD READING CONCURRED	97	0
	RETURNED TO SENATE WITH AMENDMENTS		
4/01	2ND READING AMENDMENTS CONCURRED	48	0
4/04	3RD READING AMENDMENTS CONCURRED	49	0
4/08	SIGNED BY PRESIDENT		
4/08	SIGNED BY SPEAKER		
4/10	TRANSMITTED TO GOVERNOR		
4/14	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 542 EFFECTIVE DATE: 10/01/89		

SB 312 INTRODUCED BY PINSONEAULT, ET AL.
REVISE ACCESS TO COURTS--CONSTITUTIONAL AMENDMENT

2/01	INTRODUCED		
2/01	REFERRED TO JUDICIARY		
2/07	HEARING		
2/09	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/13	2ND READING PASSED	30	19
2/15	3RD READING PASSED	27	23
	TRANSMITTED TO HOUSE		
2/21	REFERRED TO JUDICIARY		
3/07	HEARING		
3/07	TABLED IN COMMITTEE		

SENATE BILL NO. 311

INTRODUCED BY HARDING, MAZUREK, REGAN,
DRISCOLL, GAGE, STICKNEY, BROOKE, THOMAS

IN THE SENATE

FEBRUARY 1, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON LABOR & EMPLOYMENT RELATIONS.
	FIRST READING.
FEBRUARY 16, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 17, 1989	PRINTING REPORT.
FEBRUARY 18, 1989	SECOND READING, DO PASS.
FEBRUARY 20, 1989	ENGROSSING REPORT.
FEBRUARY 21, 1989	THIRD READING, PASSED. AYES, 50; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 21, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON HUMAN SERVICES & AGING.
	FIRST READING.
MARCH 16, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 27, 1989	SECOND READING, CONCURRED IN.
MARCH 29, 1989	THIRD READING, CONCURRED IN. AYES, 97; NOES, 0.
	RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 1, 1989	RECEIVED FROM HOUSE.
	SECOND READING, AMENDMENTS CONCURRED IN.
APRIL 4, 1989	THIRD READING, AMENDMENTS CONCURRED IN.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

BILL NO. 311

INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A SELF-SUFFICIENCY TRUST ACCOUNT TO BE ADMINISTERED BY THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO PROVIDE CARE AND TREATMENT FOR CERTAIN DEVELOPMENTALLY DISABLED, MENTALLY ILL, OR PHYSICALLY HANDICAPPED PERSONS."

STATEMENT OF INTENT

This bill requires a statement of intent because [section 3] grants rulemaking authority to the department of social and rehabilitation services to administer the self-sufficiency trust account.

The rules should provide for the orderly administration of the trust account. Because the department of social and rehabilitation services will be administering the trust account for the department of institutions, contractual arrangements must be made between these departments. These arrangements must include but are not limited to:

(1) provision for the department of institutions to review and approve life care agreements for mentally ill beneficiaries;

(2) provision for the approval of payments from the trust account for mentally ill beneficiaries; and

(3) procedures for reporting to the department of institutions on the financial condition of the trust account.

The rules should also provide for the development of procedures and criteria for reviewing and approving the life care agreements between the self-sufficiency trust and the department of social and rehabilitation services. These procedures and criteria should also provide for the termination of the agreements.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1.** **Definitions.** As used in [this act], the following definitions apply:

(1) "Department" means the department of social and rehabilitation services provided for in Title 2, chapter 15, part 22.

(2) "Self-sufficiency trust" means a trust created by a nonprofit corporation that is a 501-C-3 organization under the United States Internal Revenue Code of 1954, as amended, and that was organized under the Montana Nonprofit Corporation Act, Title 35, chapter 2, for the purpose of providing for the care and treatment of one or more persons who are residents of this state and are developmentally disabled, mentally ill, physically handicapped, or otherwise eligible for department services.

INTRODUCED BILL
SB 311

NEW SECTION. **Section 2.** **Creation of self-sufficiency trust account.** (1) There is created a self-sufficiency trust account in the state treasury. The state treasurer shall deposit to the credit of the trust account money received from the department for that purpose. The state auditor shall direct payments from the trust account upon claims certified by the director of the department.

(2) The assets of the trust account must be preserved, invested, and expended in the manner and for the purposes provided in [section 3]. At the end of each fiscal year, the unexpended account balance must carry forward to the next fiscal year and may not revert to the state general fund.

NEW SECTION. **Section 3.** **Administration of trust account.** (1) The department may accept money from a self-sufficiency trust for deposit in the self-sufficiency trust account pursuant to an agreement with the self-sufficiency trust naming one or more beneficiaries who are residents of this state and are developmentally disabled, mentally ill, physically handicapped, or otherwise eligible for department services. The agreement must specify the care or treatment to be provided for each named beneficiary. Money in the trust account must be accounted for separately for each named beneficiary. The department of institutions shall contract with the department to administer the trust account for beneficiaries who are

mentally ill.

(2) (a) The department shall adopt rules to administer the trust account.

(b) The money in the trust account may be spent by the department, pursuant to its rules, only to provide care or treatment for the named beneficiary in accordance with the terms of the agreement.

(c) If the director of the department determines that the money in the trust account for a named beneficiary cannot be used for the care and treatment of the beneficiary in a manner consistent with the rules of the department and the agreement or upon request of the self-sufficiency trust, the remaining money in the trust account for the named beneficiary, together with any accumulated interest, must be promptly returned to the self-sufficiency trust that provided the money for deposit in the trust account.

(3) The state treasurer shall direct the investment of trust account money and shall credit earnings to the trust account.

NEW SECTION. **Section 4.** **Benefits not affected.** Receipt by a beneficiary of money from the self-sufficiency trust account or of care and treatment provided with that money may not in any way reduce, impair, or diminish the benefits to which the beneficiary is otherwise entitled by law.

NEW SECTION. **Section 5. Special account.** There is created within the self-sufficiency trust account a special account for the disabled. The director of the department may accept money from any source for deposit into the special account. The money in the special account must be used by the department, subject to appropriation, for the purpose of providing for the care and treatment of low-income developmentally disabled, mentally ill, and physically handicapped persons or low-income persons otherwise eligible for department services, as defined by the department.

NEW SECTION. **Section 6. Extension of authority.** Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB311, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

A bill for an act entitled: "An act creating a self-sufficiency trust account to be administered by the Department of Social and Rehabilitation Services to provide care and treatment for certain Developmentally Disabled, Mentally Ill, or Physically Handicapped Persons."

ASSUMPTIONS:

1. Self-sufficiency trust is a trust created by a nonprofit corporation for the purpose of providing a Life Care Plan to one or more persons who are residents of this state and are developmentally disabled, mentally ill, or physically handicapped.
2. The trust will be a separate account within the state treasury.
3. The Department of Institutions shall contract with the Department of Social and Rehabilitation Services to administer the trust account for beneficiaries who are mentally ill (assume no cost to the Department of Institutions for this contract).
4. Receipt by a beneficiary of money from the self-sufficiency trust account will be used mainly for enhanced services to the patient and may not in any way reduce or diminish the benefits to which the beneficiary is otherwise entitled.
5. Assume no effect on the amount of reimbursement collected for care and maintenance at the Institution.
6. Transfers from the primary trust account to the self-sufficiency will not occur during the 1991 biennium. Minimal transfers could occur in the 1993 biennium with the transfer amount growing each year.
7. A PC data base program will be developed by SRS to track individual client receipts and disbursements (60 hours).
8. 1/4 FTE will be needed to process receipts, invoices, and payments for the first 300 recipients. FTE needs will increase proportionately with increase in recipients. The FTE will not be needed until payments from the trust begins.
9. There is no fiscal impact during the 1991 biennium.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The major outlay of effort in the early years of implementation will be in staff time to write and implement rules and program guidelines. As the fund grows, however, the disabled individuals served the state will receive direct benefit in terms of supplemental services that would not otherwise be available to them. The fund could not be used to reduce the state's commitment but could be used to enhance clients' quality of life. For every 300 individuals receiving trust benefits, a .25 FTE will be needed to administer and track payments.

Ray Shackleford 2/8/89
RAY SHACKLEFORD, BUDGET DIRECTOR DATE
OFFICE OF BUDGET AND PROGRAM PLANNING

Ethel M Harding 2/8/89
ETHEL M. HARDING, PRIMARY SPONSOR DATE

Fiscal Note for SB311, as introduced

SB 311

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS

Call to Order: By Senator Gary C. Aklestad, on February 9, 1989, at 1:00 P.M. in room 415 of the state Capitol.

ROLL CALL

Members Present: All members were present. Senator Sam Hofman, Senator Jerry Devlin, Senator J.D. Lynch, Senator Richard Manning, Senator Chet Blaylock, Senator Dennis Nathe, and Senator Gary C. Aklestad, Chairman.

Members Excused: Senator Keating was excused.

Members Absent: There were no members absent.

Staff Present: Tom Gomez, Legislative Council Analyst.

Announcements/Discussion: There were no announcements or discussion.

HEARING ON SENATE BILL 311

Presentation and Opening Statement by Sponsor:

Senator Ethel Harding, Senate District 25, stated SB 311 is an act that creates a Self-Sufficiency Trust Account to be administered by the Department of Social and Rehabilitation Services to provide care and treatment for certain developmentally disabled, mentally ill, or physically handicapped persons. The bill will allow people, who are parents of DD children to open a Self-Sufficiency Trust fund to provide for the DD children when they are gone.

List of Testifying Proponents and What Group They Represent:

Paul Medlin, representing the National Foundation for the Handicapped.

Pat Conant, representing herself.

Alicia Pichette, representing herself.

Chris Denehy, representing the Developmentally Disabled.

Don Thorson, representing the Mental Health Association of

Montana.

Testimony:

Paul Medlin, Senior Vice President for the National Foundation for the Handicapped, stated the Self Sufficiency Health Act was developed as the first public and private partnership to address the long term needs of the disabled population. The concept is a model of two separate components. Mr. Medlin discussed the flow charts. The private sector is governed under the existing trust laws and the trustee act of state probate laws. They are incorporated as a trust, and they are governed by a volunteer board of trustees, acting in behalf of the individual families in managing and planning. The private sector does not require legislation. The public sector receives the earning from the private trust dollars, to enhance and expand services over and above mandated services. The act empowers the state treasurer to be the custodian of the public sector fund, as addressed in SB 311. Money will be spent pursuant to individual agreements of a life care plan. Life care plans must be approved by the director of SRS, before the public sector will be included. The intent of the model is not to supplant what the state is obligated to provide, but to supplement. The SRS cannot reduce benefits because the disabled person is being a participant in the trust. They would retain their rights. The legislation establishes a charitable fund. The money comes from residual private trust funds, after individual passes away. At least one half the deceased's fund will go to the charitable fund, and the fund is controlled in the private sector. The earnings transfer to the state, subject to laws. The private fund is managed by the board of trustees. People participating in the trust will not jeopardize their eligibility in SSI or MEDICAID. Families wanting to provide extra treatment services can do so.

Mr. Medlin stated the legislation provides for two funds governed by SRS with a contract from the Department of Institutions. The departments' role will be to implement a voucher system. Residential options are available, and sometimes the small group living conditions are preferable and less restrictive. The private sector does charge a management fee, which is used to offset the costs of developing life care plans and monitoring services. Illinois and Maine have passed similar laws, while New York, Michigan and Pennsylvania, Indiana, Florida, Alaska, Kansas, Missouri are currently legislating trust funds. (Exhibit 1)

Alicia Pichette, Helena, stated she has spoken to other parents of DD children in order to get information about what this bill means to their families. One of the

difficult things for parents of handicapped children is dealing with what will happen to their children when they have passed away. Like all parents, we want our children to live as full a life as possible and to continue to enjoy a comfortable standard of living. Disabled children do not have the same opportunities to create their own lives as normal children. Many of the DD children are dependent of government assistance for basic necessities. Obviously, the government cannot provide for things that are personally important to the DD children. When parents are gone, the children will need the basic necessities, food and shelter, but they will also need what has been important to them while living in their parents' home. Except for the very rich, parents do not have a vehicle to improve their child's quality of life.

Alicia Pichette stated she is the mother of a beautiful DD child. The legislation provides a vehicle for her family to make future plans for their children. Ms. Pichette stated, with the passage of this legislation, she can become a partner in care. As Chairperson of Montana Family Support Services and Advisory Council, Mrs. Pichette stated the recommendations have been presented to the Governor in the annual report. The priority is the Self Sufficiency Trust Fund.

Ms. Conant stated she would like to help her daughter live as independent as possible. This would require substantial modifications of living quarters to be readily accessible. (Exhibit 2)

Chris Denehy, Developmentally Disable Lobbyist, stated support for SB 311.

Don Thorson, Mental Health Association of Montana, stated the association is encouraged because the fund includes the mentally disabled. The legislation enables the parents to provide for their children over the long term.

List of Opponents and The Group They Represent:

There were no opponents.

Questions From Committee Members:

Senator Nathe asked if this legislation provides for one trust fund set up in the public sector so people can contribute directly without creating another charitable private sector fund. Why does the private sector have to be created. Mr. Medlin stated the private sector is created by a board of trustees, incorporated as a trust. The trustees will be parents, professionals, and so on. Everyone pools

their assets into one trust fund. There are two private sector funds, the private and the charitable. Senator Blaylock asked why can't the trust fund be in the private sector. Mr. Medlin stated he did not think people would be willing to donate to the state fund. The reason why the public sector fund is necessary is to receive the earning from the private sector. The funds can flow through the existing system to the disabled to enhance and expand the system. The federal government is also included. If a parent leaves assets directly to the disabled child in excess of $1,900, they DD child becomes ineligible for federal funded programs.

Senator Aklestad asked if there is matching state or federal money. Mr. Medlin stated there may be federal matching money in residential start ups. Families involved in the trust can link up and invest among themselves. The fund is to take care of private sector money. Senator Aklestad asked if the money will provide services above what the state is currently offering to the total population and to the fund recipient. Medlin stated if there are several beneficiaries in a small living group, the other people would receive benefits in certain circumstance, such as recreational. Senator Aklestad asked about the administrative costs. The state would provide the voucher system, which is already in place.

Senator Blaylock asked who invests the money from the private trust fund account. Mr. Medlin stated the board contracts a judiciary agent to invest money. In most states, the funds have been invested in government secure securities. The policies will be established by the board of trustees. A fee will be charged. Senator Blaylock asked if the state Board of Investments could be involved. Medlin, stated, in his opinion, the model is crafted to be a delicate measure between the private and public sector. This is a private sector initiative, while the state is the primary provider of most of the services for the DD. Mr. Medlin did not think it would be wise to transfer duties and responsibilities to the public sector because it would add cost and overhead. The volume of participation is important as there needs to be a balance between the private and public sector.

Senator Hofman asked about enhancement services. Medlin stated the state provides for the young DD person going to school, but the older DD individual must leave the safety of mandated services in order to receive vocation training. The money is not always available. The SRS may only have finances for five hours of supported employment, but ten hours are needed. The family can add the needed five hours of supported employment. The mentally ill need special

activities, and the fund could provide the additional needs. The mental health clinic, which is normally a nonprofit organization, will have another source of income to help pay for the DD adaptive equipment.

Senator Devlin asked about the DD person who moves to another state. Mr. Medlin stated if the client moved out of state, the trust fund would be dissolved. Senator Devlin asked how many other state have this law. Mr. Medlin replied Illinois and Maine have the fund, while legislation is pending in eight other states.

Closing by Sponsor:

Senator Harding closed by stating the reason she is carrying the legislation is because she finds the fund unique. Senator Harding's thirteen months old grandchild died of cerebral palsy. The father worried from the time the child was prognosed who would take care of the child if the father died. Senate Bill 311 answers this concern.

HEARING ON SENATE BILL 343

Presentation and Opening Statement by Sponsor:

Senator Van Valkenburg, Senator District 30, stated the bill puts in place a mechanism for the resolution of collective bargaining disputes between cities and municipal police officers. The bill is modeled after an existing Montana statute concerning the fire fighters. Senator Van Valkenburg stated he is carrying the legislation because of his close working relationship with law enforcement. Senator Van Valkenburg is a deputy county attorney in Missoula, Mt and has been involved in criminal justice for fifteen years. Senator Van Valkenburg stated he has worked closely with local and county government, and he is familiar with legislative labor issues. Arbitration is the not necessarily the best way to settle unresolved labor disputes between employees, if the employees are critical to public safety. The citizens should not have to tolerate the threat of police strikes. A certain amount of animosity is built up between the public and private sector. The local governments and the firefighters are sitting down before arbitration starts and are working out agreeable settlements. It is last best offer arbitration. Senator Van Valkenburg stated on page 2, line 18 and 19, the legislation reads: the arbitrator, if necessary makes a just and reasonable determination concerning the final position of dispute matter. The determination will be adopted within 30 days of the commencement of the arbitration. The arbitrator shall notify the board of personnel appeals and the parties, in writing, of the determination. Each side

ROLL CALL

LABOR COMMITTEE

51st LEGISLATIVE SESSION

DATE: Jan 9, 1989

	PRESENT	ABSENT	EXCUSED
SENATOR TOM KEATING			Y
SENATOR SAM HOFMAN	X		
SENATOR J.D. LYNCH	Y		
SENATOR GERRY DEVLIN	Y		
SENATOR BOB PIPINICH	Y		
SENATOR DENNIS NATHE	Y		
SENATOR RICHARD MANNING	Y		
SENATOR CHET BLAYLOCK	Y		
SENATOR GARY AKLESTAD	Y		

Exhibit # 1 SB 31
2/9/89
Pg 1 of 6

Orientation

STATE OF ILLINOIS
PUBLIC ACT 84-1373

SELF-SUFFICIENCY TRUST

SUMMARY Rev 5-20-88 ©TM

SELF-SUFFICIENCY TRUST SUMMARY

The Self-Sufficiency Trust © is a comprehensive life-care planning option designed to meet the supplemental service needs of people with disabilities now and in the future.

More than a pooled income trust, the Self-Sufficiency Trust is an innovative private sector service financing mechanism which allows parents and families to plan a secure future for their disabled dependent without the fear of loss of governmental benefits or invasion of their trust principal.

The Self-Sufficiency Trust provides a mutually beneficial public/private working relationship between families of disabled individuals, the state, and the community-based human service network. Enacted into state law, the Self-Sufficiency Trust becomes a stable financing mechanism which operates through individualized programs (Life-Care Plans) to arrange for supplemental services from existing provider networks. The existing service delivery system is supplemented and thus expanded ---all for the need-specific benefit of individuals with disabilities.

The Self-Sufficiency Trust evolved from the research and support of the National Foundation for the Handicapped under the direction of Mr. James DeOre, with partial funding from the Illinois Department of Mental Health and Developmental Disabilities. In 1986, the Illinois Legislature by unanimous vote established the first Self-Sufficiency Trust in the country [Illinois Revised Statutes Chapter 91 1/2, Sections 5-118 and 5-119]. Maine followed in the spring of 1987 (HP 331-L.D. 430). In both cases, the Self-Sufficiency Trust was seen as a major development in non-traditional estate and future care-planning which would replace the usual "catch 22" problems faced by families with a viable and comprehensive means to impact the present and plan for the future of the individual with disabilities.

HOW DOES THE TRUST WORK?

* Two wholly separate pooled-income trust funds exist as part of the SST structure. Each of the two funds has a public sector or State Trust Fund by virtue of the public law enacted by each state.

* A volunteer Board of Trustees is appointed from the private sector (parents and professionals) to manage and control the Private Trust Fund. The parent or family member who establishes a trust is called the Grantor, and his/her dependent is the Trust Beneficiary. The Grantor or his designee serves as Co-Trustee and shares in trust disbursement decisions.

* The Private Trust Fund accepts, holds, and invests the "pooled" assets of each family participating in the SST. Although assets are comingled, all returns on investments are credited proportionately to each "private trust". Interest earnings on Private Trust Fund assets are transferred at the direction of the Trustees and the parents or guardian, who serve as Co-Trustee, to the counterpart State Trust Fund which immediately disburses the assets for the supplemental goods or services to be provided the Trust Beneficiary. The state's Mental Health Department may be designated to hold the State Trust Fund and these funds are generally disbursed by the state treasurer. Technically, funds disbursed from the State Trust Fund become "state" monies and are not viewed as earned or unearned income to the disabled Trust Beneficiary, therefore not affecting public entitlement eligibility under Supplementary Security Income (SSI) or Medicaid.

* A segment of the trust fund controlled by the Board of Trustees is the Charitable Trust Fund. This fund is a repository to accept residual and donated assets earmarked for low-income and indigent persons with disabilities who are unable to participate in the Private Trust. This important part of the Self-Sufficiency Trust model is supported by:

  1) Assets left to the Charitable Trust Fund by grantors of private trusts at the death of the disabled beneficiary;

  2) Contributions from private donors, bequests, corporations or foundations;

  Earnings on the principal of the Charitable Trust Fund can be transferred to the State Trust Fund allowing participation of low-income and indigent disabled individuals in the concept.

* A Life-Care Plan is developed for each Trust Beneficiary which embodies the wishes of the parent (Grantor) and defines the scope and nature of supplemental services to be provided the disabled individual. Trained Self-Sufficiency Trust counselors provide the direction for parents to develop a realistic and need-specific plan.

* The Self-Sufficiency Trust computerized data base assesses each Trust Beneficiary's present functional abilities and service needs, projects future care requirements and correlates present and future costs based on existing residential per diem schedules. This process provides each family with a realistic projection of the principal necessary to provide a flow of interest income sufficient to fund the individual supplemental service Life-Care Plan.

  This data collection system is also very important to the States.

1) Via the SST intake process, disabled persons of all ages who are not currently identified within the provider system may now be accounted for and identified by disability (type, severity), age, residential and day-mode program needs.

2) The data generated will allow each state to more accurately plan for state services based on valid need. Appropriations may be sought using real statistics.

* The universal concern of parents and families with disabled dependents, "who will care for my dependent when I am gone?", has been addressed by the Self-Sufficiency Trust. Personalized advocacy and successor guardianship services are an intregal part of the Trust operation ensuring consistency and quality of care. In Illinois, PACT, Inc., a private and independent guardianship agency is under contract by the Board of Trustees to broker and monitor the supplemental services and ongoing care of Self-Sufficiency Trust Beneficiaries.

In total, the Self-Sufficiency Trust offers permanency and flexibility to adapt to changing governmental policies, estate planning and management expertise, security against loss of eligibility for public entitlement benefits, and peace of mind that concerned and knowledgable professionals will ensure the quality personalized care that will be provided for your disabled dependent now and/or in the future.

HOW DOES PARTICIPATION AFFECT PUBLIC BENEFITS?

The Health Care Financing Authority (H.C.F.A.) of the Department of Health and Human Servises, Washington, D.C. has ruled that in most cases Self-Sufficiency Trust principal and interest will not count in determining Medicaid eligibility.

Region V of the Social Security Administration has determined that, based on current regulations, the SST assets will not count as resources in determining eligibility under the Supplemental Security Income (SSI) program.

These two federally-funded entitlement programs are the primary sources of support to the disabled population.

TOTAL LIFE-CARE PLANNING OPTIONS

The Self-Sufficiency Trust creates incentives for a family to begin financial and care planning for their dependent who is disabled.

A Self-Sufficiency Trust permits families to:

1. Enhance services with family resources.
2. Help secure the quality of care they desire.
3. Help maintain continued quality of lifestyle after the family itself can no longer do so.
4. Enhance access to housing.

The Self-Sufficiency Trust enables the family to contribute assets -- savings, investments, real estate, insurance, etc. -- for the benefit of their relative who is disabled and others who have similar disabilitites.

ADVOCACY CARE

Lifelong care and the quality of that care is a primary concern for all families with relatives who are disabled. Families naturally desire the assurance that their disabled relative receives all the services to which he or she is entitled. Families also want to improve the lifestyle of the disabled person by providing extras to meet individual personal needs, leisure-time activities, training, clinical services, and transportation.

Self-Sufficiency Trust participation can provide a disabled dependent enhanced care and a personal advocate, even after the death of a parent or guardian.

In Illinois, PACT, Inc. an experienced private surrogate family model organization which provides personal case management and guardianship services, is under contract to provide advocacy and successor guardianship service to Trust Beneficiaries when these services are requested by the Grantor. Families can contract with the Self-Sufficiency Trust and PACT, Inc. as a personal advocate and advisor to broker and monitor supplemental services and assure that programs are being properly provided to their relative with a disability.

RESIDENTIAL NEEDS

Another key component of the Self-Sufficiency Trust is that families can create housing alternatives through private efforts.

This may enable a family to overcome long waiting lists for existing facilities and permits location near the family's home.

Through this program, families not only help make a residential facility available, but also determine the quality of that residence.

Parents could provide the capital needed for purchasing a house. Where necessary, affiliates of the National Foundation for the Handicapped would negotiate with the appropriate state agency to determine the Trust portion and the state portion of funding the cost of care within existing state licensure and rate methodology guidelines. Contracts would also be negotiated with existing provider agencies to provide management for the residence.

STATEWIDE DATABASE

The Trust will collect information about individuals with disabilities and their current and future needs. This information will be compiled in the Disabled Population Profile System © and presented in a confidential manner to the Department of Mental Health and Developmental Disabilities, to allow the state to plan effectively for future needs.

In addition, a computer program has been developed which uses federal functional disability criteria to perform need-specific assessment of present and future residential configurations and their costs. Families may use this data in preparing an estate plan sufficient to generate the necessary annual income needed to purchase the supplemental services desired for the Trust participant.

FINANCING

Families can finance their participation in the Trust by making a transfer of cash or other assets, either immediately, over time as various services are initiated, or through a will. Life insurance provides another means for families to fund the program and to participate in the Trust.

SUMMARY

Program funding for people with disabilities becomes more difficult to obtain each year. This uncertainty threatens the stability of the state's provider network and concerns the families of individuals with disabilities.

Unmet housing needs for a significant portion of the disabled population is a widespread dilemma. Longer lifespans of people with disabilities and the aging of responsible family members increases anxieties concerning long-term care and future housing needs.

The Self-Sufficiency Trust creates a stream of money which may be channeled through the state to help provide for the needs of people with disabilities.

Finally the Self-Sufficiency Trust provides families of the disabled a strong voice and potentially powerful role in the present and future decisions which impact their disabled family members. Planning today for a secure tomorrow is within the reach of most families with disabled dependents through the Self-Sufficiency Trust.

FOR MORE INFORMATION:

For families and guardians seeking additional information:

Headquarters: The Self-Sufficiency Trust of Illinois
340 W. Butterfield Road, Suite 3C
Elmhurst, IL 60126
312/941-3498

Chicago Office: PACT, Inc.
166 W. Washington, Suite 300
Chicago, IL 60202
312/641-6363
312/641-6524 (TDD)

For providers and state officials throughout the United States:

Paul L. Medlin
Senior Vice-President
Corporate Development
National Foundation for the Handicapped
340 W. Butterfield Road
Elmhurst, IL 60126
(312) 832-9700

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"Disabled Population Profile System"
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Printed in the U.S.A. Revised 5/20/88

THE SELF-SUFFICIENCY TRUST©

What is the Self-Sufficiency Trust?

As a private sector initiative, the National Foundation for the Handicapped and James H. DeOre developed the Self-Sufficiency Trust concept. This concept permits individuals with disabilities and their families potential access to, and the potential capability for developing services and programs to supplement current state and federal benefits.

This plan was also conceived to assist states, hard-pressed due to limited resources, with a potential means for developing a new income stream for expansion of badly needed services.

What disabled groups are covered by the Self-Sufficiency Trust?

The Self-Sufficiency Trust serves the developmentally disabled, the chronically mentally ill and the physically handicapped.

Why was the Self-Sufficiency Trust copyrighted?

The National Foundation realized there was a possibility for individuals and groups to use the concept without fully appreciating the requirements involved. To avoid any problems associated with this type of activity, and due to the significance and seriousness of the public trust invested in this concept, the National Foundation has chosen to copyright the materials which describe the development, the installation, the servicing, as well as the operations of the Trust. The National Foundation for the Handicapped charges each state $1,000 per year, once it has an established and operating Self-Sufficiency Trust. This fee is used by the National Foundation for the Handicapped for charitable purposes.

What is the role of the National Foundation in developing the Self-Suficiency Trust?

The National Foundation for the Handicapped provides each state with the technical assistance for developing its Self-Sufficiency Trust. In addition, the National Foundation for the Handicapped can provide to each Trust grants and/or low-interest loans for cash flow purposes. For example, in the State of Illinois, the National Foundation for the Handicapped made a grant to establish staff for the Self-Sufficiency Trust.

What steps are involved in establishing the Self-Sufficiency Trust?

The actual mechanisms for establishing a Self-Sufficiency Trust may vary from state to state according to state law. Through the legislative process of enacting a state law in each state, the basis for the Self-Sufficiency Trust is established.

Under the model legislation, a private charitable 501(c)(3) organization establishes the Self-Sufficiency Trust, and appoints a board of directors. This board is comprised of members of the private and public sector. The Trust document provides the structure and guidelines for its operations.

The National Foundation for the Handicapped, through an agreement with the charitable 501(c)(3) organization, provides for the initial organization of the Trust. Subsequently, the National Foundation for the Handicapped enters into a contractual relationship to provide technical assistance, training and service to the Trust in each state.

What are the regulatory requirements in each state for the Self-Sufficiency Trust?

The regulatory requirements will vary from state to state. Each state must go through a review of its law and trust structure by the Social Security Administration, by the Health Care Financing Administration (HCFA) and any other regulatory bodies within the state that will be affected by implementation of the Self-Sufficiency Trust.

How long does it take to develop a Self-Sufficiency Trust in a state?

There are three stages of the Self-Sufficiency Trust Poject: development, installation and maintenance.

In the development stage, the organizational structure is created by state law, the trust documents are executed and the Trust Board of Trustees are appointed.

The second stage, the installation stage, includes education of parents, providers and professionals, training staff, setting up of operations and appropriate interviewing of families.

The third stage includes operation, maintenance and service of the Trust.

What are some of the services of the Trust?

The Trust can provide the opportunity for families to plan for the future care and funding of services for the disabled population.

For the state, the Trust can function as a state-wide case management organization, endeavoring to locate services for families at no charge for this service. Secondly, the Trust develops for each state information on persons who are not currently in services, particularly in the area of special education. Through its database Disabled Population Profile System, the Trust links clinical service needs of each individual with a disability with potential state reimbursement services in the future. Dollar amounts identified for these services can then be used by the state legislature and administration as a precise planning tool, so that estimates for future costs can be made for budgeting purposes.

Third is the actual negotiation for service provision by the Trust. These may be in the areas of respite care, housing, day treatment services, guardianship and advocacy care.

What about provisions for low-income families?

The Trust has specifically designed a program to meet the needs of low-income families. First, low-income families are encouraged to financially participate in the Trust, specifically through life insurance policies, where the Trust may help to match a family's participation.

Secondly, for those low-income families where financial participation is not possible, individuals are identified to the state by the Trust as needing services.

Third, funds generated by families who are in the Trust, must also provide services for low-icome families with individuals with disabilities.

Fourth, a percentage of a family's contribution to the Trust will be retained upon termination of their contract and transferred to the Charitable Fund to make grants for low-income families. At the death of the individual with a disability, 50% of the principal is distributed to the Charitable Fund to make grants for low-income families. The remaining 50% flows back to the heirs of the donor.

And fifth, by bringing new resources into the system, the state has the opportunity of expanding services for low-income families.

What are the fees to families?

There are no direct fees to families active in the Trust. In Illinois the Trust currently anticipates a 1.4% cost for operations, which will be retained by the Trust for its earnings. This compares to an average Trust cost of 1.5% to 2.0% throughout Illinois.

Can the Trust help with the current growing housing shortage for the disabled?

The Trust database will facilitate in the identification of needed housing and potential residents allowing the state, providers, and parents to develop new housing with small group homes, condominiums, and integrated apartment environments. Also, the Trust database will identify parents who could join together to purchase a home for their disabled relatives who have similar needs.

In both these instances, a local provider would participate as necessary and appropriate in providing needed care and securing required licenses.

Parents of young children with disabilities may want to use this second concept of capital purchasing for investment purposes to achieve future care and service objectives for their son or daughter.

Can the Trust financially participate in the operating costs of the house?

Trust dollars may only be used to provide rehabilitation, training for employment, special assistance in the workplace, necessary help with personal care and other special help in coping with handicaps.

What are some additional advantages of the Self-Sufficiency Trust?

One advantage of the Self-Sufficiency Trust is that it functions on behalf of the family. This benefit of broadened advocacy on behalf of the family is of particular advantage to the individual with a disability once the parent or guardian has passed away.

Families who have relatives at various provider organizations may consider leaving their money to those organizations to continue care or services after the parent or guardian has passed away.

Unfortunately, many providers have limited service capability, and because of health needs or for other reasons, the individual with a disability may not actually live out his or her life within the pervue of a certain provider. The trust in encouraging parent planning may facilitate the provision of quality care even if the individual with a disability leaves a provider.

One of the primary programs needed by adult, mentally or physically disabled individuals is the training for continued education, employment or special work places so the individual can enjoy a more full and productive life.

Programs such as sheltered workshops, job and career training programs and supportive employment programs are utilized by individuals with disabilities to access employment and productivity. The Self-Sufficiency Trust provides the family with the opportunity to plan for and financially participate in these services and through the Trust provider mechanism, to ensure their availability and accessibility.

One of the most critical aspects of service includes the need for emergency in-home care. Often the serious illness of a spouse and/or sudden trauma in a family situation creates a substantial burden on the other parent. He or she is not only confronted with the problem relating to the spouse, but must also cope with the individual with a disability living at home. Through the Trust, families can make provisions and plan for such emergency respite care to preclude the burden of accessing this care at an unexpected time, and to realize the peace of mind that such care makes available.

For additional information call (312) 941-3498.

SELF-SUFFICIENCY TRUST

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Washington, D.C. 20006, (202) 778-8117
340 W. Butterfield Road
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Transcript Manual #3
Revised 5-20-88

PD 14 & 25

Exhibit # 1 SB 311
2/9/89

by ***Paul Medlin***

When parents and families with children who are disabled ponder the future, they face concerns that parents of non-disabled children do not. They must provide a life-care legacy that will not render their disabled dependent vulnerable after the parent's death. Innovative research and development in nontraditional estate and future care planning has begun to replace the usual "catch 22" situations faced by these families with effective measures to assure the protective legacy their dependents need. The Self-Sufficiency Trust model removes the complications that have traditionally stymied effective estate planning efforts by parents; it includes the personalized life-care monitoring and guardianship services that significantly reduce future vulnerability.

Conceived in Illinois, the Self-Sufficiency Trust evolved from the research of the National Foundation for the Handicapped under the direction of Mr. James

Exhibit # 1 SB 311
2/9/89
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The Self-Sufficiency Trust

Innovation in Life-Care Planning for the Disabled

H. DeOre, with funding in part from the Illinois Department of Mental Health. In September 1986, the Self-Sufficiency Trust was enacted into law (P.A. 84-1373) by unanimous vote of the Illinois Legislature.

The Trust model was seen as an "estate planning" option that would avoid conflict with existing rules that penalize families for providing direct services to their disabled dependents eligible for federal assistance under the Supplemental Security Income and Medicaid programs. Further, the Trust would encourage the flow of money from private sources, focusing on expanded supplemental services to the disabled. This new private-public initiative encourages parents, state government, and service providers to work together to plan now for a secure future for the disabled.

The Self-Sufficiency Trust model includes private and public trust components. It is governed by a volunteer Board of Trustees that works first with the family co-trustees to control the Private Fund to which families may contribute the assets (money, securities, property) designated by private trusts for life-care services of named disabled beneficiaries. Secondly, the Board of Trustees controls the Charitable Trust which accepts residual and donated assets for use in providing service to low-income and indigent persons with disabilities who are unable to participate in a private trust.

Further, the Board of Trustees controls the disbursement of funds as defined in each "life-care plan" of the named disabled beneficiaries, and ensures that necessary supplemental services are provided each beneficiary. Finally, the Board of Trustees works with the Illinois Department of Mental Health and Developmental Disabilities to ensure that the repository of donations from the Charitable Fund are used to expand existing governmental supported services to benefit people with disabilities where the greatest need exists.

What Are SST Life-Care Plans?

Each "private trust" within the Self-Sufficiency Trust is operationally based upon the individual "Life-Care Plans" developed by the parents or family and the knowledgeable trust staff. The Life-Care Plan becomes the document that governs the administration and disbursement of each "private" trust fund and identifies those supplemental services that the family or parent desires for their disabled dependent. Identifying future needs and costs is difficult. Therefore, a computerized data-base that assesses present need, projects changing future service needs, and correlates present and future costs of those services helps each family to plan realistically, based on their capacity to fund supplemental service needs through estate planning. Principal assets are individually calculated that will provide a flow of interest income sufficient to fund present and/or future supplemental service needs.

Initiation of private trusts will vary for families, depending on the assets required to fund their plan. Some families may establish a trust within the Self-Sufficiency Trust while they are living by depositing assets in a private trust at one time or over several years. Others may make provisions to deposit their disabled heir's share of the parent's estate into a Self-Sufficiency Trust via a trust clause in their will. Some may choose a combination, but regardless of the funding approach taken, families will have carefully constructed a "life-care plan," defined the supplemental services desired, and initiated estate planning for the benefit of their disabled dependent.

What Role Does Parent/Grantor Play in SST?

Upon the establishment of a Self-Sufficiency Trust account, the donor or grantor of the private trust may serve as co-trustee or may designate someone else. The co-trustee retains the right to disapprove or delay implementation of the disabled beneficiary's "life-care plan." Until disbursement for services is made from each representative beneficiary's Self-Sufficiency Private Trust Fund account, the grantor (parent or other) may withdraw from participation and recover his or her original contribution minus a penalty based on the number of years of participation in the SST Private Fund. The SST Private Trusts are considered irrevocable, meaning that the original intent of the grantor of the trust cannot be changed.

Additionally, the Self-Sufficiency Trust model provides that at least 50% of the principal remaining in the Private Trust at the death of the disabled beneficiary be left to the Charitable (Remainder) Trust, with the balance returned to the heirs of the Trust grantor. These residual assets, combined with private donations, allow the Board of Trustees to service the indigent.

How Are Funds Disbursed?

Once the individual SST Private Trust is established and funded, the disbursements that benefit each disabled beneficiary may be completed in one of two ways. First, monies (interest) may be "donated" by design in the Life-Care Plan to a counterpart SST State Fund operated by the

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Paul Medlin is involved in setting up the Self-Sufficiency Trust nationwide. For additional information about SST call (312) 941-3498, or write The National Foundation for the Handicapped, 340 W. Butterfield Rd., Elmhurst, IL 60126.

Department of Mental Health and controlled by the State Treasurer. This "donation" process transfers the assets required to purchase the needed supplemental services to an individual account maintained for each beneficiary entitled to benefits from that government department. Vouchers are then processed via the state treasurer to pay for the desired supplemental service. While many find this step in the process unsettling, it has the distinct advantages of preserving public entitlements and avoiding invasion of the trust. Disbursements by the Department of Mental Health via the state treasurer are made to regular service providers.

Monies deposited for this purpose may not revert back to a private trust or charitable trust account, unless it is determined by that department that the funds cannot be used to purchase the services for which they were designated in the agreement. At that point, funds may be returned.

The second disbursement process involves direct payments to private vendors, human service providers, advocates, or successor guardians who are monitoring the welfare and condition of the beneficiary. This service provision sets the Self-Sufficiency Trust apart from generic trusts devoid of life-care monitoring. Families may build into the life-care plan a personalized, non-profit organization or group to look out for the best interests of each disabled beneficiary and to act as either an "advisor" to the Board of Trustees, ensuring that Trust assets are meeting valid needs, or purchasing quality services. They may also seek a successor guardian to assume legal consent authority at some point in the future. The peace of mind that is desired by all families with dependents who are disabled is offered, not as an option, but as a major component of the Self-Sufficiency Trust model.

So far we have discussed the Self-Sufficiency Trust from the standpoint of its mechanics as a "pooled-income" trust. What does it contribute to the overall improvement of services for our nation's disabled? What makes it desirable to families with dependents who are disabled? How is it unique in its approach to estate planning?

Historically, government and the private sector have joined together to carry out the mandate of services to people with disabilities. Using its resources, each state has developed a system of services to fulfill its mandated responsibilities. The Self-Sufficiency Trust concept evolved from the realistic acknowledgement that a state's capacity to provide these needed services is diminished by increased demand, the changing economic climate, and national policies. The SST embodies the search for alternative service capabilities and the generation of resources necessary to provide them in the future.

The Self-Sufficiency Trust research found that most states face the following problems:

- Fluctuations in tax revenues have an impact upon services provided to people with disabilities. It is unreasonable to expect state tax revenues to support the increasing needs of the population.
- Unmet housing needs unfairly affect a segment of the disabled population.
- Increased life spans intensify chronic housing shortages.
- Reduced Federal program support further increases the stress on state treasuries.
- Deinstitutionalization places heavier demand on the private provider networks to supply services and housing to the disabled.
- Fluctuations in governmental grants place severe strain on the capacity to continue these services and to survive funding shortfalls.

All these factors add to the uncertainty of future services for the disabled and hinder effective estate planning by families that might supplement their disabled dependent's future care needs. Estate planning for the disabled had to be more than a trust that could withstand invasion. Rather, it had to address the real situations that could negatively effect future services and their fundng. The Self-Sufficiency Trust combined private (family) concern with public (state) financing needs into a legislatively-based mechanism that seeks to resolve problems confronting the service delivery system as a whole.

The Self-Sufficiency Trust has been enacted into law in Illinois and Maine. To date, an additional ten states have expressed interest. The potential benefit of a nationwide Trust network is, of course, economy of scale, resulting in trust management savings, larger principal investment and return, and most importantly, increased private sector (parent and family) voice in services and financing of those services for the disabled. However, several advantages accrue to each state in which it is enacted:

- New sources of private funding to expand services for disabled people.
- A computerized data collection system to identify type, scope, and time projection of need-specified services (i.e., residential) with which to plan future services for disabled people.
- Potentially reduced dependence upon federal support, which carries with it red tape and the expense of obtaining those federal funds.
- Private-public partnership which actively involves each in working toward improved/expanded services for disabled people.

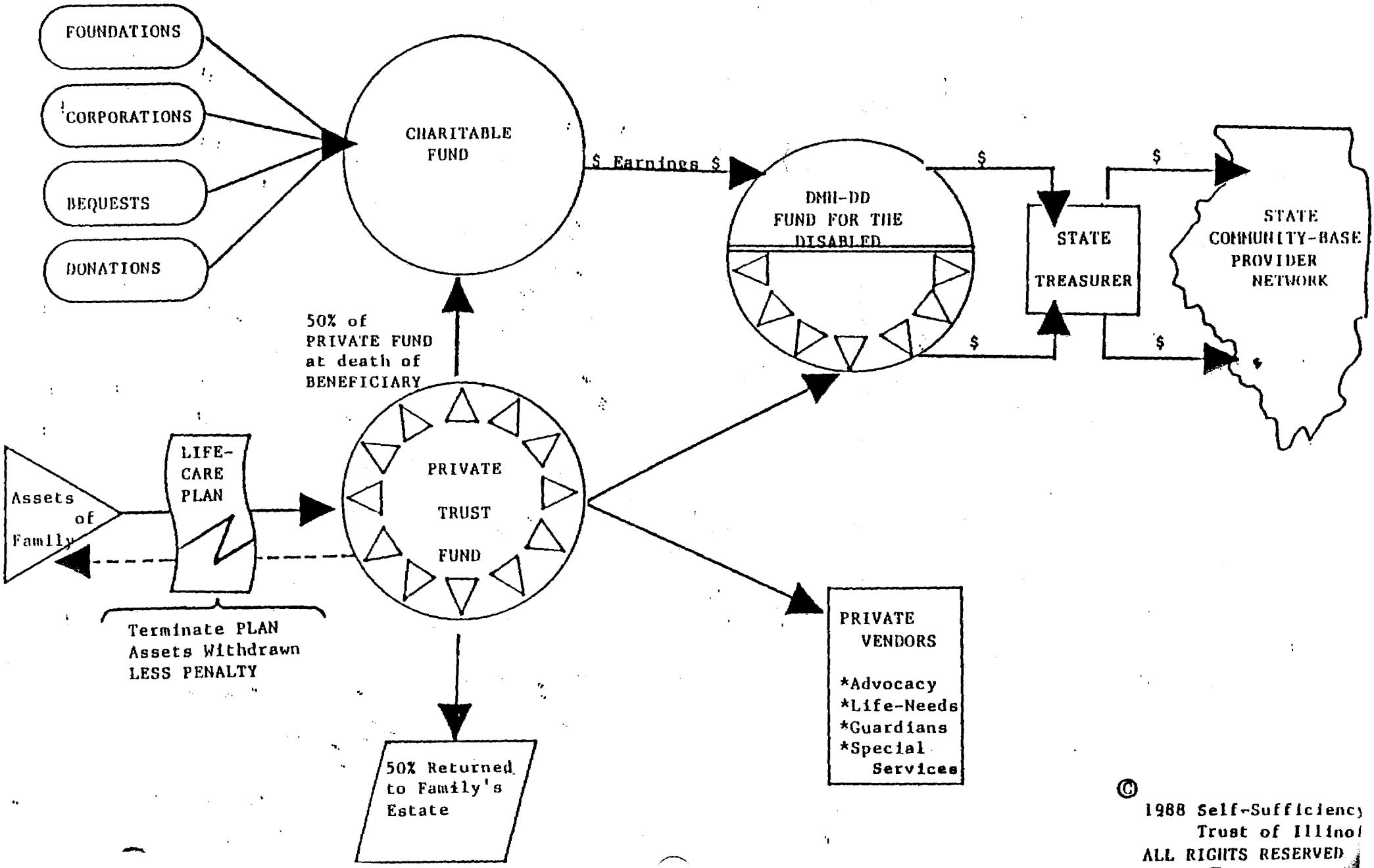
For families, several major advantages are incorporated into the SST model. Several years and close to a million dollars of research have carefully evolved into a trust which encompasses the "state of the art" in estate planning for the disabled. Disincentives have been eliminated, specifically in the areas of safeguarding public entitlement benefits.

Medicaid Eligibility

The Health Care Financing Authority (HCFA) of the Department of Health and Human Services have ruled that neither principal nor interest held in a SST Private Trust will be counted in determining Medicaid eligibility. Many families fear the loss of the medical benefits or related state support of residential care if they contribute assets to their disabled adult children, or that assets they wish to set aside for future needs will have to be spent down before their children will become eligible again. Under this ruling, parents may establish a Self-Sufficiency Trust without affecting their disabled son or daughter's eligibility.

Similarly, the Council General's Office of the Social Security Administration for Region V (Illinois and upper Mid-West) has determined that SST principal and interest will not be counted as resources in determining eligibility under the Supplemental Security Income (SSI) program.

For most persons with disabilities who depend upon public entitlement support, these rulings will ensure that parental estate planning efforts become supplemental to, and not replacement of, public benefits. Additionally families participating in a Self-Sufficiency Trust will not face the requirement of spending down or exhausting private assets in order to regain eligibility for public benefits. ways



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SELF-SUFFICIENCY TRUST

PRIVATE SECTOR

* Governed by a Volunteer Board of Trustees
- Selected for individual commitment to and understanding of the needs of PEOPLE with DISABILITIES and THEIR FAMILIES.

- Appointed by the National Foundation for the Handicapped.

** The Board of Trustees:
- Set policy for the operating of the Private and Charitable Trust Funds.

- Select and contract with Corporate Fiduciary Agent (Bank) to invest and manage all trust assets.

- Select and contract with a Social Service Agent to complete all necessary intake processes, including the development of each Life-Care Plan.

- Approve each Life-Care Plan and vote on participation of each family Trust/ Life-Care Plan.

- Use discretionary trustee powers in cooperation with the Special Trustee to modify or approve expenditures within the guidelines of each Life-Care Plan.

*** The Board of Trustees must comply with the TRUST and TRUSTEES ACT of Illinois (Ill. Rev. Stat. Ch. 17, Par. 1651-1690).

PUBLIC SECTOR

2/9/89

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* 1986 passaged into law of Public Act 84-1373 creating a mechanism to receive private trust assets to expand, enhance and supplement services for disabled eligible for services under the Illinois Department of Mental Health and Developmental Disabilities.
- Established Chapter 91 1/2 Sections 5-118 and 5-119 of the "Mental Health and Developmental Disabilities Code".

- Enpowers the State Treasurer as ex-officio and custodian of the public sector fund.

- Provides for the Comptroller to direct payments from each account within the "fund" upon receipt of certified vouchers approved by the Director of DMH-DD.

- Requires DMH-DD to adopt rules and regulations for the administration of the public sector "fund".

- Monies shall be spent pursuant to existing department rules governing expenditures for services and based upon the individual trust agreements (Life-Care Plan) for each eligible Beneficiary.

- If Director determines monies cannot be expended pursuant to department rules or service availability, funds and accrued interest will be returned to the beneficiary's Private Trust Fund.

** The receipt of monies from the Self-Sufficiency Trust (Private Fund) will not in any way reduce, impair or diminish the benefits each beneficiary would otherwise be entitled to under law.

*** Establishes a "Fund" for the Disabled to accept monies from any source which, subject to appropriations, will be used for services to low-income disabled eligible for DMH-DD services.

AN ACT to amend certain Acts in relation to funds for the developmentally disabled.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 1. Sections 5-118 and 5-119 are added to the "Mental Health and Developmental Disabilities Code", approved September 5, 1978, as amended, the added Sections to read as follows:

(Ch. 91 1/2, new par. 5-118)

Sec. 5-118. There is hereby created the Self-Sufficiency Trust Fund. The State Treasurer, ex officio, shall be custodian of the Trust Fund, and the Comptroller shall direct payments from the Trust Fund upon vouchers properly certified by the Director of Mental Health and Developmental Disabilities. The Treasurer shall credit interest on the Trust Fund to the Trust Fund, and the Director shall allocate such interest pro rata to the respective accounts of the named beneficiaries of the Trust Fund.

The Department of Mental Health and Developmental Disabilities may accept moneys from a self-sufficiency trust for deposit in the Trust Fund pursuant to an agreement with the trust naming one or more beneficiaries who are developmentally disabled persons or persons otherwise eligible for Department services residing in this State and specifying the care, support or treatment to be provided for them. The Department shall maintain a separate account in the Trust Fund for each named beneficiary. The moneys in such accounts shall be spent by the Department, pursuant to its rules, only to provide care, support and treatment for the named beneficiaries in accordance with the terms of the agreement. In the event that the Director determines that the moneys in the account of a named beneficiary cannot be used for the care, support or treatment of that beneficiary

Clerk of the House

Originated in the House of Representatives

in a manner consistent with the rules of the Department and the agreement, or upon request of the self-sufficiency trust, the remaining moneys in such account, together with any accumulated interest thereon, shall be promptly returned to the self-sufficiency trust which deposited such moneys in the Trust Fund.

The Department shall adopt such rules and procedures as may be necessary or useful for the administration of the Trust Fund.

The receipt by a beneficiary of money from the Trust Fund, or of care, treatment or support provided with such money, shall not in any way reduce, impair or diminish the benefits to which such beneficiary is otherwise entitled by law.

For the purposes of this Section, the term "self-sufficiency trust" means a trust created by a not for profit corporation which is a 501-C-3 organization under the Federal Internal Revenue Code of 1954 and which was organized under the General Not for Profit Corporation Act for the purpose of providing for the care, support or treatment of one or more developmentally disabled persons or persons otherwise eligible for Department services.

(Ch. 91 1/2, new par. 5-119)

Sec. 5-119. The Fund for the Developmentally Disabled is hereby created as a special fund in the State Treasury. The Director may accept moneys from any source for deposit into the Fund. The moneys in the Fund shall be used by the Department, subject to appropriation, for the purpose of providing for the care, support and treatment of low-income developmentally disabled persons, or low-income persons otherwise eligible for Department services, as defined by the Department.

Section 2. Section 5.195 is added to "An Act in relation to State finance", approved June 10, 1919, as amended, the added Section to read as follows:

Exhibit # 1 SB 311
2/9/89

(Ch. 127, new par. 141.195)

Sec. 5.195: The Fund for the Developmentally Disabled. Notwithstanding the provisions of Section 5, this Fund shall not be automatically terminated by operation of law due to inactivity, unless such inactivity exceeds 60 months.

Section 3. This Act shall take effect upon becoming law.

Speaker, House of Representatives

President of the Senate

APPROVED

this 11th day of September 19 86 A.D.

GOVERNOR

APPENDIX A

Exhibit # 1 SB 311
2/9/89
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DEPARTMENT OF HEALTH & HUMAN SERVICES

Social S

Office of the Regional Commissioner
300 South Wacker Drive
Chicago, Illinois 60606

June 29, 1987

Terrence M. Sheen
Daniels & Sheen LTD
180 West Park Avenue
Elmhurst, Illinois 60126

Dear Mr. Sheen:

This is in final response to your letter of April 8, 1987. The Office of General Counsel (OGC) reviewed the material and determined that, based on current regulations, the trust assets will not count as resources in determining eligibility under the Supplemental Security Income (SSI) program.

As for the income, as we have advised you in the past, if the individual does not receive cash, but receives in-kind support or maintenance (i.e., food clothing, or shelter, income is charged only up to a presumed maximum value (PMV) (currently $133.33 for an eligible individual, the PMV increases with each cost of living increase). Medical and/or social services provided an individual are not income for SSI purposes.

If further changes are made in the Self-Sufficiency Trust, it may be necessary to reevaluate the effect on SSI eligibility and payments. An additional OGC review would be necessary at that time. If you have further questions, please contact Jo Ellen Luscombe, Director of the Chicago SSA Region's SSI Branch at 353-9835.

Sincerely,

Marlene M. Moleski

Marlene M. Moleski
Regional Commissioner

cc: James DeOre

APPENDIX B

Exhibit # 1 SB 311
2/9/89
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DEPARTMENT OF HEALTH & HUMAN SERVICES

The Administrator
Washington, D.C. 20201

JAN 6 1988

James H. DeOre
President
National Foundation for the Handicapped
340 W. Butterfield Road
Elmhurst, Illinois 60126

Dear Mr. DeOre:

Thank you for the additional information you sent on November 14, further clarifying the design of the Self-Sufficiency Trust (SST) of Illinois in relationship to cash assistance programs for the mentally and physically disabled. The intent of the National Foundation, to conduct a cooperative program to augment such benefits with private funding in order to assist the disabled population in Illinois, is commendable.

You asked two questions; one related to Medicaid eligibility and the other to Federal financing. In regard to your questions, we have determined that in most cases SST principal and interest will not count in determining Medicaid eligibility. However, we must advise you that under the following circumstances, the principal and interest could be counted in determining Medicaid eligibility. This would occur if the trust is set up by the disabled individual or his spouse using his or the spouse's funds (or with his funds by an individual who is acting on his behalf in the capacity of his guardian or legal representative). This should not be a problem because your literature notes that the donors are usually the parents of the participating beneficiaries (rather than the beneficiaries themselves).

We are still reviewing the information previously provided, along with the supplemental information you sent, to resolve issues regarding reimbursement and claims for federal financial participation (FFP). We must ensure that any potential conflicts between Medicaid requirements and the Self-Sufficiency Trust are identified. I expect to respond on those remaining matters in the near future. If conflicts are identified, you will have our fullest cooperation in trying to resolve them.

Sincerely,

Bill Roper

William L. Roper, M.D.
Administrator

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SELF SUFFICIENCY TRUST

DISABLED POPULATION PROFILE SYSTEM

OVERVIEW

There are two purposes for the Disabled Population Profile System:

1) It is the first step in forming a life-care plan for a disabled individual;

2) It is a planning tool which provides a system to collect information on the needs of the disabled population that are in need of services now and those needing services in the future. This information can be compiled state-wide and eventually nation-wide. Until now, there has been no successful system to accurately show these needs.

The service application will give the following information:

1) Parent demographic information;

2) Disabled person demographic information;

3) Functional disabilties of the disabled person - very basic "yes - no" function not an in-depth clinical review;

4) Scales for level determination - these scales will be used later to determine what level of residential care and day programming is needed by the disabled person. All costs associated with the level are also calculated (current year or future year costs). The system then takes these costs and produces an Income Earnings Projection which is the starting point for the financial planning for a parent for the needs of their son or daughter;

5) Current living arrangements and services;

6) Immediate needs of the disabled person;

7) Future needs - This is when the system takes the Life-Care needs, matches them to the level determination and costs for those needs, in any given year.

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SELF-SUFFI[illegible]NCY TRUST

Supplemental Service Funding Process

Exhibit # 1 SB 311
2/9/89

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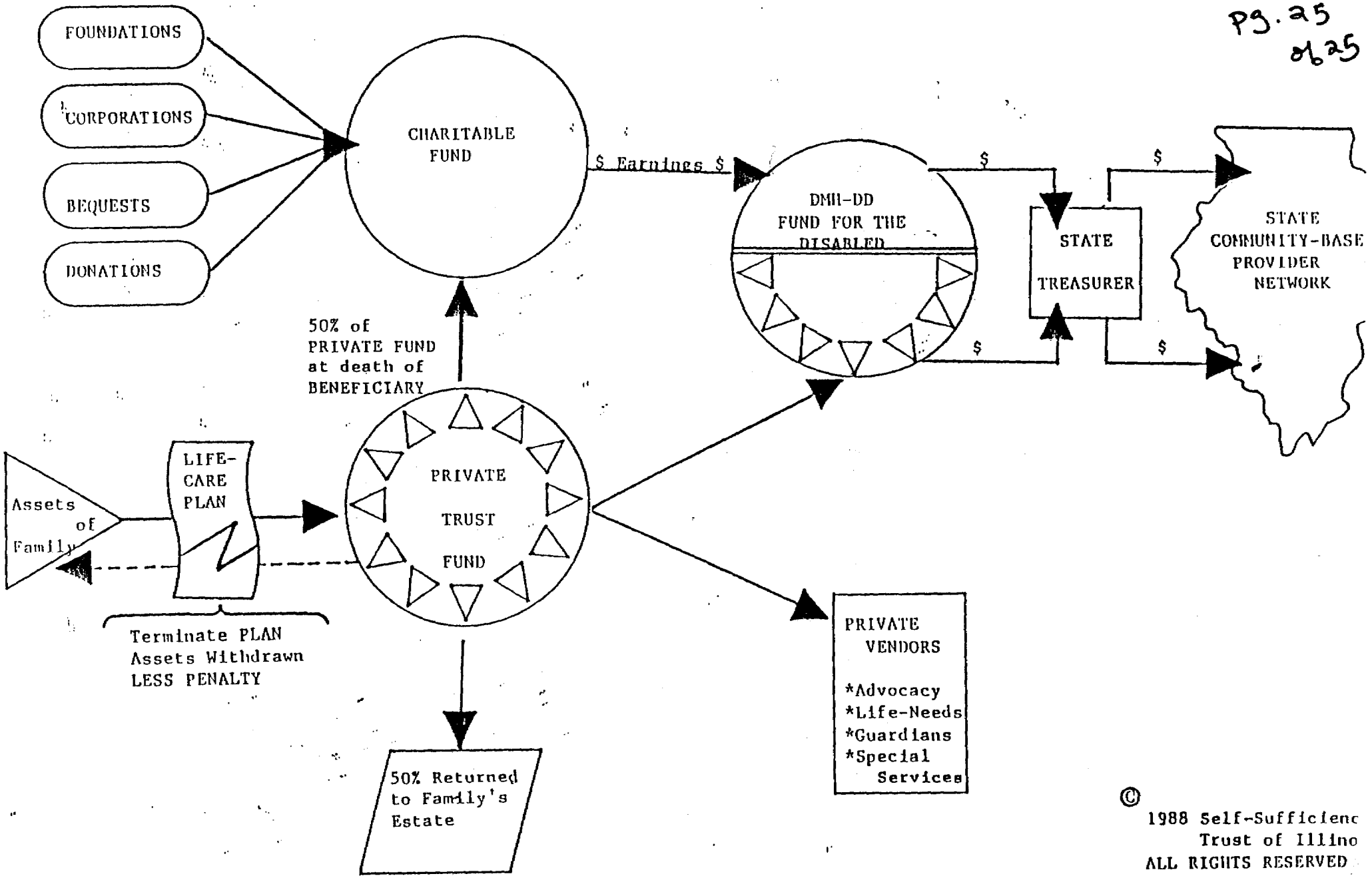
PRIVATE SECTOR

PUBLIC SECTOR



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SENATE LABOR & EMPLOYMENT
EXHIBIT NO. SB 311 8 1
DATE 2-9-89
BILL NO. SB311

CITIZEN TESTIMONY

SELF SUFFICIENCY TRUST

I am Pat Conant from Bozeman. I am the parent of an eight year old daughter with the spastic form of cerebral palsy. In preparing this testimony, I have spoken to other parents of handicapped children in order to get information on what the passage of this bill could mean to their families.

One of the difficult things for parents of handicapped children to deal with is thinking about what will happen to their child when they are no longer around to look out for he or she. Like all parents we want our children to live as full a life as possible and to continue enjoy a comfortable standard of living when we are not around to provide it. Disabled children do not have the same opportunities to create their own full lives as do typical children. Many of them are dependent on government assistance for basic necessities. Obviously, the government is not able to provide for many of things which are personally important to these children. At this time, except for the very rich, parents do not have a vehicle for improving their child's quality of life. When I talked with parents about what kinds of things they would be able to do for their child, their responses talked about providing some pretty basic services. In one instance, the family had a child who was very involved in 4-H. The main focus of this child's life is taking care of her animals. The family felt that with the trust they might be able to provide their daughter a living situation where she could continue to keep her animals. Another Mom talked about being able to insure that her child had a travel allowance so that she could visit relatives without burdening the rest of the family with the cost. She also talked about setting up money so that someone could take her daughter to music concerts which she loves. As for myself, I would like to be able to assist my daughter in living as independently as possible. In many cases, this would requires substantial modification to her living quarters so that things are readily acessible. If she is able to learn to drive, it means modifying a vehicle to meet her needs.

I urge you to pass the Self Sufficiency Trust Bill so that parents of disabled children may begin working for a fuller life for their children.

Patricia M Conant
2/9/89

LABOR COMMITTEE

VISITORS' REGISTER

51st LEGISLATIVE SESSION

DATE: February 9, 1989

LEAVE PREPARED STATEMENTS WITH SECRETARY! PLEASE!!!

PRINT: NAME	REPRESENTING	Check One: Support	Check One: Oppos
Nadine Jensen	AFSCME		343 ✓
JAMES TUTWILER	MT CHAMBER COM SB 235	✓	
HAL Million	City of Great Falls		343 ✓
Jim Van Arsdale	City of Billings		343
JOHN N LAWYER	LAWYER NURSERY INC PLAINS MONTANA	315	
Shelly LAine	City of Helena		343 ✓
Lloyd Lockrem	Mont. Cont. Assoc.	235	
F. H. LARSON	Computer Claims Admin	235	
Rhonda Brown	MCA Contract	235	
JACK MORGENSTERN	MCA	235	
Pat Conant	Self -	✓	
Vern Erickson	MT State Firemans Assoc	343	
Riley Johnson	NFIB	315	
Tim BERGSTROM	MT. STATE COUNCIL PROFESSIONAL FIREFIGHTERS	✓ 343	
Chris Volinkaty	DD	✓ 311	
Alicia Pigutte	Self	✓ 311	
John Tokan	SW. Mont. B & CTC		✓ 235
[illegible]	Teamsters Joint Council #2		6000
John C Ball	Mt. Building Trades		235
Kathy Anderson	Ind. Ins Agents Assn	315	

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS

Call to Order: By Senator Gary C. Aklestad, Chairman, on February 10, 1989, at 5:20 P.M. in the state Capitol.

ROLL CALL

Members Present: All members were present: Senator Tom Keating, Vice-chairman, Senator Sam Hofman, Senator J.D. Lynch, Senator Gerry Devlin, Senator Bob Pipinich, Senator Dennis Nathe, Senator Richard Manning, Senator Chet Blaylock, and Senator Gary C. Aklestad, Chairman.

Members Excused: There were no members present.

Members Absent: There were no members absent.

Staff Present: Tom Gomez, Legislative Council Analyst.

Announcements/Discussion: There were no announcements or discussion.

EXECUTIVE ACTION

DISPOSITION OF SENATE BILL 128

Discussion:

Senator Nathe moved the Nathe Amendment to SB 128, and passed out a remedial information duplication fact sheet on Adult Basic Education. The legislature appropriates approximately $450,000 for state wide Adult Basic Education, while SB 128 appropriates $437,500 additional monies. Senator Nathe prefers SB 128 to be coordinated through OPI. The motion to amend SB 128 received a DO PASS consideration.

Amendments and Votes:

Senator Nathe moved to accept the Governor's amendments on SB 128. The motion to amend SB 128 with the Governor's amendment received a DO PASS consideration.

Senator Nathe asked if committee members must select options A or option B. One choice involves $1.935,858 by choosing option B over option A. Senator Nathe asked if the Labor Committee makes the decision or does another committee.

scheduling work hours illegally. Mr. Fitzpatrick stated the purpose of the bill is to let employees add an option of having a longer work day. This concept is being done, but done illegally. Mr. Fitzpatrick further explained the amendment.

Amendments and Votes:

Senator Hofman moved the amendment. The motion passed unanimously.

Recommendation and Vote:

Senator Lynch, speaking in opposition to SB 309, stated the concept could work very effectively in some places, but older employees are going to be hurt by the bill. Safety for older employees, who ought not to work the long hours, will mean accidents in the future, as a lot of people are effected. There will be an accident, maybe not at the mine Senator Hofman is talking about, but there may be an accident that will be regretted. Senator Aklestad stated the concern is legitimate, If there are accidents, the Workers' Compensation rates will go up, and perhaps the legislature will be back to rectify the law. There are industries that are using the concept.

A roll call vote was taken. Senators Keating, Hofman, Devlin, Nathe, and Aklestad voted Yes. Senator Lynch, Pipinich, Manning and Blaylock voted NO.
The DO NOT PASS recommendation prevailed.

DISPOSITION OF SENATE BILL 315

Discussion:

Senator Keating will chair a subcommittee meeting on Monday, February 12, 1989.

DISPOSITION OF SENATE BILL 311

Discussion:

Senator Nathe questioned why there must be two trusts in the private sector versus setting up a state fund. Senator Nathe stated it is his intention to try to eliminate process steps.

Senator Blaylock stated he raised the self sufficient trust fund question, and stated Montana's Board of Investments makes an enormous amount of money for the state. Why couldn't the State Board of Investors invest and get good returns on the money. Senator Blaylock stated he gets the

feeling the people who sell the package, Great Free enterprize and all, are taking their cut.

Senator Devlin stated he asked the question about someone moving to another state, but did not receive a satisfactory answer. Reciprocity must be established in the various states. If an individual was going to move within five years, the individual would be better off not to become involved in the program. The committee opted to consider SB 311 at a later date.

DISPOSITION OF SENATE BILL 343

Amendments and Votes:

Senator Blaylock moved SB 343 receive a DO PASS recommendation.

Senator Keating stated the Billings City Council is opposed to SB 343 because the Council does their own negotiating, and know the dollars figures from which they must deal. Billings is not willing to use an arbitrator. Senator Blaylock stated there is an assumption being made that the arbitrator is some kind of unreasonable person that is not going to be a fair judge. Senator Blaylock stated he thought the person would be fair judge. The policemen are in a precarious situation during negotiation, they have no position, and, if the police strike, they are immediately up against an enormous amount of public resentment. The public thinks it is a strike against the public, and the chances of winning are almost nil. Blaylock thinks if the police cannot get the issues settles, and the testimony states most of the time the issues are settled, they could present the information to the arbitrator. The arbitrator will know the situation of the city's finances, and will be able to make the decision and opt for the last best effort agreement device. The police have asked for SB 343 and should be granted.

Senator Hofman stated the bill does not tell the police they can't get problems settled. Billings want to settle the problem, it can be done through negations. Bozeman city police is not in favor of SB 343. Devlin stated the Bozeman City Police sent a letter stating of the 30-32 arbitrator application resumes currently on Department of Labor's file, approximately 25 are not Montana residents. The is one Montana member of the National Arbitrators Academy.

Recommendation and Vote:

A roll call vote was taken on Senator Blaylock's motion to DO PASS. Senator Keating Lynch Devlin Nathe, and Aklestad

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS

Call to Order: By Senator Gary C. Aklestad, Chairman, on February 14, 1989, at 1:00 p.m. in room 415 in the state Capitol.

ROLL CALL

Members Present: All members were present: Senator Tom Keating, Vice-chairman, Senator Sam Hofman, Senator J.D. Lynch, Senator Gerry Devlin, Senator Bob Pipinich, Senator Dennis Nathe, Senator Richard Manning, Senator Chet Blaylock, and Senator Gary Aklestad, Chairman.

Members Excused: There were no members excused.

Members Absent: There were no members absent.

Staff Present: Tom Gomez, Legislative Council Analyst.

Announcements/Discussion: SB 163

Senator Aklestad stated the committee will hear additional testimony on SB 163. Senator Lynch stated the adverse committee report was rejected. Mrs. McLeod is available to speak, she was unable to attend the original hearing due to the severe weather conditions.

Mrs. McLeod stated her DD daughter entered the Sheltered Workshop in December 1988. The family lives ten miles away from the Sheltered Workshop In January 1988, the family was informed that transportation would be not be available. Through telephone calls and correspondence, the Mcleod family realized there were many DD individuals in rural Montana areas needing transportation in order to participate in Sheltered Workshop activities. Mrs. McLead persuaded the committee to vote for SB 163.

HEARING ON SENATE BILL 348

Presentation and Opening Statement by Sponsor:

bill, it will be one more reason why attorneys will have a tough time taking new clients.

Closing statement by the Sponsor:

Senator Harp urged the committee to give SB 384 a DO PASS Recommendation.

DISPOSITION OF SENATE BILL 100

Discussion and Vote:

Senate Bill 100 was sent out of Committee with an amendment written. The committee voted DO PASS. Senator Keating moved to reconsider action on SB 100.

Senator Lynch acknowledged the House of Representatives for returning SB 100 to the Senate for reconsideration.

Senator Lynch stated he would speak against the motion. It would behoove the committee to show good faith by leaving the language stricken, showing we in turn can cooperate with the House. The language is ambiguous.

The motion to reconsider action passed with an agreed five Yes, four No votes.

Recommendation and Vote:

Senator Keating moved DO PASS AS AMENDED. The motion passed with five YES and four NO votes.

DISPOSITION OF SENATE BILL 278

Recommendation and Vote:

Senator Blaylock moved the amendment. Senator Blaylock stated the Statement of Intent accompanies SB 278. (Exhibit 10)

DISPOSITION OF SENATE BILL 311

Discussion:

Senator Keating stated SB 311 is the Self Sufficiency Trust Fund for the Developmentally Disable group asking for confirmation on a straight forward issue.

Recommendation and Vote:

Senator Keating moved SB 311 DO PASS.

Senator Keating referred to Exhibit 11, Pages 14 and 15. Senator Keating explained the flow chart dealing with the mechanism in state law for the establishment of a fund for investment of money through the state Treasure. The fund income can be utilized for SRS. The money will flow back to the providers. The funds will be private and will come from the private sector. There will be no cost to the state. SB 311 allows private money to flow into state accounts The state can use the money through SRS to buy Developmentally Disabled client services from the providers. Senator Keating questioned whether some of the money can be used as federal "matched money".

Senator Blaylock asked if the gentleman gets a cut out of the profits. Senator Keating stated the private sector, under supplemental services funding, can sell various charitable fund arrangements to foundations or cooperations and can provide management services. A portion of the contributions will establish trusts and arrange charitable funds. The private sector will collect fees.

Senator Blaylock stated he raised the question concerning the Board of Investments being responsible for the funding, but did not receive a favorable opinion. Senator Keating stated there does not seem to be a reason why private money can't be geared through the Board of Investments. Even individuals can set up private funds without paying for the services.

Senator Blaylock asked Alicia Pichette if the funds could be routed through the Board of Investments. Ms. Pichette stated perhaps the funds could be controlled by the Board of Investments, if one understood relationship between the public and private sector. Senator Blaylock stated the Board of Investments, perhaps, would prove to be a better deal for the DD people.

Senator Blaylock commented the Self Sufficiency Trust Fund people may be happy with these arrangements, but the private sector's company takes the cut. Ms. Pichette stated Mr. Medlin flew to Helena to assist the passage of SB 311. He became involved in Montana's Self Sufficiency Trust Fund legislation because Illinois has a working model Montana has tried to imitate.

Senator Pipinich asked, if a DD individual moves to another state, are they out. Senator Aklestad stated the situation could be true, unless there was reciprocity arrangement between the states.

Senator Aklestad asked Tom Gomez to explain the Harding Amendment. The services will be clarified as services

defined by the department. On three, page five, a Self Sufficiency Trust will be identified. (Exhibit 12)

Amendment and Vote:

Senator Lynch made a substituted motion to amend the legislation. The motion carried unanimously.

Recommendation and Vote:

Senator Keating moved SB 311 DO PASS AS AMENDED. The motion passed unanimously.

DISPOSITION OF SENATE BILL 235

Recommendation and Vote:

Senator Lynch moved SB 235 DO NOT PASS. The motion failed.

Amendment and Vote:

Senator Blaylock moved the amendment The amendment will take care of Labor's objection of not having an employee represented on the board, which handles the medical insurance. Senator Blaylock agreed there should be an employee on the board. The information would be inserted on page 2, line 1, following program, insert "govern by the employee retirement income and security act". On page 2, line 12, following number two, insert "A". On page 2, line 17, following line 16, insert: "the fringe benefit fund, plan or program described in subsection (1) must have at least one hourly employee who is a beneficiary of such fund, plan or program on the committee that serves as the plan administrator or trustee of such fund, plan or program." The motion to amend SB 235 passed unanimously.

Recommendation and Vote:

Senator Keating moved SB 235 DO PASS AS AMENDED.

Senator Lynch stated people are going to get ripped off. Senator Lynch further stated when the Self Sufficiency Trust Fund's people come back in a few years telling the committee someone ran south with the funds, you will remember you are the ones that allowed the situation to take place.

A roll call vote was taken on SB 235 DO PASS AS AMENDED. Senators Keating, Hofman, Devlin, Nathe, Blaylock, and Aklestad voted Yes. Senators Lynch, Manning, and Pipinich voted NO. The DO PASS AS AMENDED motion passed.

DISPOSITION OF SENATE BILL 128

ROLL CALL

LABOR COMMITTEE

51st LEGISLATIVE SESSION

DATE: Feb 14

	PRESENT	ABSENT	EXCUSED
SENATOR TOM KEATING	Y		
SENATOR SAM HOFMAN	Y		
SENATOR J.D. LYNCH	Y		
SENATOR GERRY DEVLIN	Y		
SENATOR BOB PIPINICH	Y		
SENATOR DENNIS NATHE	Y		
SENATOR RICHARD MANNING	X		
SENATOR CHET BLAYLOCK	Y		
SENATOR GARY AKLESTAD	Y		

SENATE STANDING COMMITTEE REPORT

February 16, 1989

MR. PRESIDENT:

We, your committee on Labor and Employment Relations, having had under consideration SB 311 (first reading copy -- white), respectfully report that SB 311 be amended and as so amended do pass:

1. Page 2, line 25.
Following: "services"
Insert: ", as defined by the department"

2. Page 3, line 5.
Following: "from"
Strike: "the department"
Insert: "a self-sufficiency trust"

3. Page 3, line 20.
Following: "services"
Insert: ", as defined by the department"

4. Page 4, line 21.
Following: "of"
Strike: "money from"
Insert: "supplemental services as a result of"

5. Page 4, lines 22 and 23.
Following: "provided" on line 22
Strike: "with" on line 22 through "money" on line 23
Insert: "by the trust"

AND AS AMENDED DO PASS

Signed: _____
Gary C. Aklestad, Chairman

H.C. 2/16/89 3:53 pm

SCRSB311.216

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON HUMAN SERVICES AND AGING

Call to Order: By Stella Jean Hansen, on March 13, 1989, at 3:10 p.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Mary McCue, Legislative Council

Announcements/Discussion: None

HEARING ON SB 311

Presentation and Opening Statement by Sponsor:

Senator Harding stated that this bill was an act creating a self-sufficiency trust account to be administered by the Department of Social and Rehabilitation Services to provide care and treatment for certain developmentally disabled, mentally ill, or physically handicapped persons.

Testifying Proponents and Who They Represent:

Alicia Pichette
Chris Volinkady, Montana Developmentally Disabled
John Thorson, Mental Health Association of Montana

Proponent Testimony:

Alicia Pichette stated that the Self Sufficiency Trust is a comprehensive life care planning option designed to supplement the government services provided to people with disabilities now and in the future. More than a pooled income trust, the Self Sufficiency Trust is an innovative private sector financing mechanism which allows parents and other family members to plan a secure future for their disabled dependent without the fear of loss of governmental benefits or invasion of their trust principal. Exhibit 1.

Chris Volinkady stated that this program was a good partnership between the public and private sector and

has been put together by parents who are more than willing and eager to play a participating role in that child's habilitation and future.

John Thorson stated that this bill has two very good provisions. It removes the disincentives for parents and other relatives to provide resources for their developmentally disabled or mentally ill children and it creates a charitable trust which provides additional resources for the entire mental health system.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: Rep. Nelson asked Ms. Pichette about the Paul Medland speech in a previous hearing and Ms. Pichette said he had come to Montana to help her organization get the legislation prepared that would enable the flow of the money from the private sector through the state trust through SRS to pay the providers. Rep. Nelson asked if this would be privately funded and Ms. Pichette indicated that it would.

Rep. Gould asked Senator Harding if there should be a coordination clause in this bill and Rep. Harding stated that there could be.

Rep. Good asked Senator Harding if the $1000.00 for administration per case per year and Senator Harding stated that the total is $1000.00 per state per year. Rep. Good then questioned what would be done in the continuing years and Senator Harding stated that they would continue educating the states in the program. Rep. Good then asked if there was any where in the bill addressed that we would be dealing with the Chicago based people and Senator Harding stated that it was not.

Rep. Simon asked Dennis Taylor if the state treasurer was in the business of actually directing investments as it had been indicated in the bill. Senator Harding said that the State Auditor only pays out as directed from these funds and then referred the question to Dennis Taylor of SRS. Mr. Taylor stated the sum of money in the state treasurers holdings to direct these funds according to the general rules and regulations that the state provides for short term investment. Mr. Taylor then suggested amendments to read this.

Rep. Hansen asked Ms. Pichette if the money that was paid to this trust is not a trust in the state of Montana it is a trust that is provided by the National Foundation for the Handicapped and Ms. Pichette stated that the money was held in trust in a local bank. Rep. Hansen then stated that the state was not going to invest the money. Rep. Hansen then asked that when the money did come back to the recipient, are the parents are deceased or how soon does the money begin to come back to help this child and Ms. Pichette stated that it was done according to how the trust fund was set up.

Rep. Good asked if the money was going from the trust to the board to SRS to the client. Ms. Pichette stated that the funds go from the private trust through the state trust through SRS to the private non profit service providers. Rep. Good asked why it was advantageous to have SRS involved in this and Ms. Pichette stated that SRS provided the services.

Rep. Boharski asked why the state would not exempt money in a trust account that is used solely for the benefit of the person as accountable resources against supplemental services and Mr. Taylor stated that the problem was not with state entitlement services.

Rep. Brown asked Mr. Taylor if the state were under contract to continue with the same service and Mr. Taylor stated that they were not.

Closing by Sponsor: Senator Harding closed on the bill.

HEARING ON SJR 14

Presentation and Opening Statement by Sponsor:

Steve Browning opened on the bill for Senator Hager and stated that this bill was a joint resolution supporting and commending philentrophic activities in Montana; supporting the newly formed Montana community foundation and its goal of bettering Montana communities; and encouraging all Montanans to give their support to the Montana community foundation and to meet the challenge grants awarded to the Montana community foundation. Mr. Browning then supplied Exhibit 2.

Testifying Proponents and Who They Represent:

None

Proponent Testimony:

None

DAILY ROLL CALL

HUMAN SERVICES AND AGING COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date 3-13-89

NAME	PRESENT	ABSENT	EXCUSED
Stella Jean Hansen			
Bill Strizich			
Robert Blotkamp			
Jan Brown			
Lloyd McCormick			
Angela Russell			
Carolyn Squires			
Jessica Stickney			
Timothy Whalen			
William Boharski			
Susan Good			
Budd Gould			
Roger Knapp			
Thomas Lee			
Thomas Nelson			
Bruce Simon			

CS-30

VISITORS' REGISTER

HUMAN SERVICES AND AGING COMMITTEE

BILL NO. SB 311 DATE 3/13/89

SPONSOR

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
John Titcomb	Montana Health Issue of Montana	—	
Chris Kaufmann	DD	—	
Alicia Fichette	ESSAC	X	
Dennis M. Taylor	DDD/SRS		
Jim Harris	Independent Living Project	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

CS-33

with the exception of Reps. Hansen, Whalen, Russell, Strizich and Squires. Motion carries.

DISPOSITION OF SB 272

The Hearing on SB 272 was held on March 8, 1989.

Motion: Rep. Boharski made a Motion TO BE CONCURRED IN.

Amendments, Discussion, and Votes: Rep. Gould made a Motion to amend the effective date to 1996 which was later changed to 1997. A vote was taken and all voted in favor.

Recommendation and Vote: Rep. Gould made a Motion TO BE CONCURRED IN AS AMENDED. A vote was taken and all voted in favor. Motion carries.

DISPOSITION OF SB 311

The Hearing on SB 311 was held on March 13, 1989.

Motion: Rep. Good made a Motion TO BE CONCURRED IN.

Amendments, Discussion, and Votes: Rep. Simon made a Motion to move the amendments. A vote was taken and all voted in favor.

Recommendation and Vote: Rep. Simon made a Motion to BE CONCURRED IN AS AMENDED. A vote was taken and all voted in favor. Motion carries.

DISPOSITION OF SB 352

Motion: Rep. Gould made a Motion TO BE CONCURRED IN.

Discussion: Rep. Whalen stated that the bill should be referred to an interim subcommittee study resolution be adopted.

Rep. Good inquired on the fiscal note.

Rep. Nelson inquired on the statement of intent.

Amendments, Discussion, and Votes: Rep. Simon made a Motion to move the amendments. A vote was taken and all voted in favor. Rep. Good stated that the amendments were not extensive enough to cover the cost. Rep. Hansen stated that the Department already had an adoption department and the funding would be covered under this. Rep. Knapp stated that the Department was already established for adoption of children between 1 and 18 but the new bill would enable the adoption of infants.

STANDING COMMITTEE REPORT

March 16, 1989

Mr. Speaker: We, the committee on Human Services and Aging report that Senate Bill 311 (third reading copy -- blue) be concurred in as amended .

Signed: _____
Stella Jean Hansen, Chairman

[REP. STELLA JEAN HANSEN WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Page 4, lines 20 through 22.
Following: "(3)" on line 20
Strike: remainder of line 20 through line 22
Insert: "The trust account money must be deposited in the state treasury and invested as required by law and the earnings credited to the trust account."